



Vought Aircraft Industries, Inc.
Offer for a 36-Month Agreement
Between

Vought Aircraft Industries, Inc.

and

IAM, Local 735

Tuesday, January 13, 2009



Duration

36-Month Agreement expiring February 4, 2012

General Wage Increases

| <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|-----------------|-----------------|
| \$0.75* | \$0.50** | \$0.50** |
| <u>*Effective 3rd Monday after ratification</u> | | |
| ** Effective 1 st Monday in February | | |

COLA

No change in current formula.

Prior to the 2009 GWI increase, COLA accrued during the lifespan of the last collective bargaining agreement will be folded into each employee's base rate and each labor grade maximum will be increased by the amount of the COLA adjustment during said time.

A total of 12 cost-of-living adjustments shall be made, to be determined and made effective the start of the first pay period of each of the following months: February 2009; May 2009; August 2009; November 2009; February 2010; May 2010; August 2010; November 2010; February 2011; May 2011 and August 2011.

Automatic Progression

No Change

Employees in automatic progression at the time of ratification will receive a one-time increase of **\$1.25**, not to exceed the maximum in his/her labor grade.



Promotion Increases

No Change

Shift Differential

No Change



Pension

For employees who have sixteen (16) years of seniority or more as established in Article X of the collective bargaining agreement as of **June 30, 2009**, the pension multiplier shall increase as follows:

- For retirements on or after **February 1, 2009** through **January 31, 2010**, the pension multiplier shall increase from \$43 to **\$46**.
- For retirements on or after **February 1, 2010** through **January 31, 2011**, the pension multiplier shall increase from \$46 to **\$51**.
- For retirements on or after **February 1, 2011**, the pension multiplier shall increase from \$51 to **\$53**.

Employees with sixteen (16) years of seniority or more as of June 30, 2009 who terminate employment no later than fourteen (14) days following the ratification date of this agreement AND retire effective the first of the next calendar month following ratification (at the \$46 multiplier), the Company will offer the following incentive:

- **If the employee returns to active employment during the time period between date of ratification and the termination of employment a lump sum in the amount of \$20,000.***
- **If the employee does NOT return to active employment during the time period between the date of ratification and termination of employment a lump sum in the amount of \$25,000.***

***The lump sum amount is subject to applicable taxes and withholdings.**

Effective **June 30, 2009** employees with less than sixteen (16) years of seniority per Article X of the collective bargaining agreement as of June 30, 2009, will have their pension benefit frozen.

- No further credited service will be counted toward benefit accrual for this plan after June 30, 2009.
- **Employees will retain what they earn under their plan before the freeze (retirement multiplier of \$43) and continue to accrue credited service under the terms of the plan until June 30, 2009.**



Retirement Contribution Account

Effective **July 1, 2009**, for employees with less than sixteen (16) years of seniority as established in Article X of the collective bargaining agreement as of June 30, 2009, Vought will begin making contributions equal to 3% of your eligible earnings each week or \$45, whichever is greater, into a Retirement Contribution Account (RCA).

- Minimum \$45 RCA contribution affects all employees making less than \$1,500 per week including overtime.
- The contribution is separate from the company match on employee contributions to the SIP.

Employees hired on or after September 29, 2008 will not participate in the Aerostructures Corporation Pension Plan for Hourly-Rated Employees.

Savings and Investment Plan

Access for employees to contribute into a 401(k) plan will be offered to all active employees beginning **7/1/2009**. The company will match the employee's deferral per the schedule below:

| Total Tax-deferred and After-tax Contributions by Employee | Company Matching Percentage |
|---|------------------------------------|
| The first 2% | 100% |
| The next 4% | 50% |
| Contributions over 6% | No match given |

The match is contributed per the terms of the pension plan selected and agreed upon by the parties.



Retiree Healthcare

- **Effective January 1, 2010**, the retiree healthcare credit will increase from \$16 to **\$20**, as described in Article XVI “BENEFITS” subparagraph E (Company will continue to pay \$43.68 towards medical coverage as described in subparagraph F).
- The company’s cost of coverage for prescription drugs will be capped at \$425.00 per covered life per month.

Active Health Care

- The company will offer continuation of the plans in effect under the prior contract from **the date of ratification** through 6/30/2009. The weekly contribution in this time period will remain at \$19 for single and \$36 for family coverage. During this period, the deductible, out-of-pocket maximum and HRA amounts will be reduced by 50% per the following table (individual coverage is listed first followed by family coverage)

| Item | <u>Date of Ratification</u> through 6/30/2009 | |
|-----------------------|--|------------------------|
| | With HRA | Without HRA |
| Network | Blue Cross Blue Shield | Blue Cross Blue Shield |
| HRA | \$500/\$1,000 | N/A |
| Deductible | \$1,000/\$2,000 | \$250/\$500 |
| Out-of-Pocket Maximum | \$1,750/\$3,500 | \$1,500/\$3,000 |

- Effective 7/1/2009, the plan year will change to start on July 1 and end on June 30. Beginning 7/1/2009, there will be two healthcare plans offered: Healthcare Essentials and Open Access Plus EPO (Cigna).



- Healthcare Essentials Plan
 - Contributions for plan years beginning **7/1/2009**, **7/1/2010** and **7/1/2011** will be **\$20** for single and **\$38** for family
 - Out of Pocket Maximums reduced from **\$3,000 to \$2,000** for single and **\$6,000 to \$4,000** for family

- Open Access Plus EPO (Cigna)
 - For plan year beginning **7/1/2009**: **\$20** for single and **\$38** for family
 - Beginning with the **7/1/2010** plan year, participants in the Open Access Plus EOP (Cigna) pay their weekly Healthcare Essentials Plan contribution PLUS 100% of the excess in plan cost by coverage category (i.e. single/family), if any, over the weekly Healthcare Essentials Plan contribution.
 - For example if the cost per employee is \$10 per week more in the Open Access Plus EPO (Cigna) than in the Healthcare Essentials Plan, the contribution for the plan year beginning **7/1/2010** would be $\$22 + \$10 = \$32$ per week.
 - Beginning February 2010, and yearly thereafter, the Union and Company Human Resources Department will meet to determine whether it is in the interests of both parties to offer the Cigna HMO for the upcoming plan year. If either party determines it is not in its interest to offer the HMO, it will not be offered in the upcoming plan year.

- See “Addendum – Healthcare Plan” for additional information.

- Effective **July 1, 2009**, spouses of employees that are employed at another company that provides a health care program for their employees, and said employer pays at least 50% of the cost, will not be allowed to be a dependent under the Health Care Plan unless they have elected health care through their employer.



- Flexible Spending Account
Effective the plan year beginning **7/1/2009**, subject to regulations and Plan rules, the Company will make available to employees a Flexible Spending Account (“FSA”) for eligible medical expenses. Under the regulations in effect for 2009, the maximum deferral amount is \$4,992 or \$96/week. An employee may elect to contribute to the account from \$1 to \$96 per week in whole dollar increments.
- Dental Contributions
No changes to current contribution levels. **In addition, the Company will offer Unicare DMO (see related attachment).**
- Effective with the plan year beginning 7/1/2009, the Company will offer a three-tiered prescription drug program with co-pays as outlined below

| Prescription Drugs through Medco Participating Pharmacies | | | |
|---|-------------------------------|-------------------------------|--------------------------------|
| | <u>Generic</u> | Preferred Brand | Non-Preferred Brand |
| Retail – Up to 30-day Supply | \$7 co-pay | \$35 co-pay | \$70 co-pay |
| Mail Order – 90 day supply | \$14 co-pay 3-month supply | \$70 co-pay 3-month supply | \$140 co-pay 3-month supply |
| <i>If the cost of the prescription drug is less than your co-pay, you will pay the full cost of the drug.</i> | | | |

- Health Reimbursement Account (HRA) balances will not increase under the new medical plans that become effective on 7/1/2009. As noted previously, the HRA for the period **between ratification and 6/30/2009** will be 50% of the twelve-month amount established under the prior contract. Participants, **including retirees**, may spend down their balances until 12/31/2012 on eligible expenses.



Other Provisions

- Long Term Disability

For those active employees with less than 16 years of Seniority as of **June 30, 2009** who are considered “actively at work” (for example, not on Leave of Absence or Disability) on **July 1, 2009**, the Company will provide Long Term Disability Insurance at 50% of the employee’s annual rate of pay as of January 1 of each year. The same benefit will be provided to all new hires and those returning to active duty with less than 16 years of Seniority as of **June 30, 2009** after **July 1, 2009**.

- Transition and Bridge Survivor Benefits/Additional Death Benefit
 - For employees not subject to the pension freeze, the benefit will continue unchanged. For employees subject to the freeze, no new entrants will be accepted into the Transition and Bridge Benefits/Additional Death Benefits after **June 30, 2009**.
- Rule of 80 Supplement - No Change for employees for greater than 16 years, for changes in less than 16 years, see attached “Rule of 80 Supplement addendum”
- Vought will increase base life insurance and **AD&D** as follows:
 - Active- \$31,000 to **\$50,000** (Note: Employee must be considered “actively at work” (for example, not on Leave of Absence or in Disability) as of **July 31, 2009** to be eligible for the increase. Those active employees who return to active duty will receive the increase upon return to active duty.
 - Optional Employee Life Insurance:
Effective July 1, 2009, the company will make available under the terms of a group insurance plan covering IAM employees, optional life insurance that may be purchased by the employee in increments of 1 times, 2 times, 3 times or 4 times the employee’s annual base pay in effect on January 1 of each year subject to the provisions of the insurer’s group plan. Note: Evidence of Insurability may be required under the group plan.



Rule of 80 Supplement Addendum

For an employee with less than sixteen years of Seniority as of **June 30, 2009**, the amount of the Rule of 80 Supplement is as calculated below:

(Years of Credited Service as of 6/30/09 / Projected Years of Credited Service at First Retirement Eligibility) X \$500/month

Projected Years of Credited Service at First Retirement Eligibility is defined as the credited service the employee would have as of the date the Rule of 80 Benefit could first become payable, assuming the employee works full time in covered employment from **June 30, 2009** until such date.

For example, if an employee has 10 years of credited service as of **June 30, 2009** and has 30 years of credited service at age 55 (when first eligible for the Rule of 80 Benefit), the extra amount of the Rule of 80 Supplement would be $(10/30) \times \$500$ or \$166.67.

The Rule of 80 Supplement ends at age 62, or the date of your death.



Addendum - Healthcare Plan

| Medical Benefits Summary For IAM Employees Plan year begins July 1 and ends June 30 | | | |
|--|---------------------------------|----------------------|----------------------|
| | Blue Cross Blue Shield of IL | | Cigna Healthcare |
| | Healthcare Essentials PPO | | Open Access Plus EPO |
| | In-Network | Out-Of-Network | In-Network Only |
| Office Visit Primary Care ¹ | \$20 co-pay | 40% After deductible | \$15 co-pay |
| Specialist Office Visit (No referral required) | \$40 co-pay; all other services | 40% After deductible | \$15 co-pay |
| Benefit Plan Year Deductibles & Co-insurance (<i>Your Responsibility</i>) | | | |
| Individual | \$500 | \$800 | \$0.00 |
| Family | \$1000 | \$1,600 | \$0.00 |
| Co-insurance | 10% | 40% | N/A |
| Benefit Plan Year Out-of-Pocket Maximum (Includes Benefit Plan Year Deductible) | | | |
| | In-Network | Out-Of-Network | In-Network Only |
| Individual | \$2,000 | \$5,000 | \$1,500 |
| Family | \$4,000 | \$10,000 | \$3,000 |
| Lifetime Maximum: \$5 million per person in-network, \$300,000 per person out-of-network; includes all medical care, prescription drugs, and mental health and substance abuse treatments | | | |

1. Examples of Primary Care Providers: General Practitioner, Internal Medicine, Pediatrician, OB/GYN, Family Practitioner, and Chiropractor
2. The provider will bill BCBS and you will receive an Explanation of Benefits (EOB) instructing you to pay any deductible or co-insurance that may apply. Any lab tests or other tests required by a physician will be subject to deductible and co-insurance. Co-pay charges do not apply to your deductibles or out-of-pocket maximums.
3. URC: Usual, reasonable and customary

| | Healthcare Essentials PPO | | Open Access Plus EPO |
|---|---|--------------------------------------|---|
| | In-Network | Out-of-Network | In-Network Only |
| Wellness | | | |
| Physicals (For adults and children over age 5 : \$500 annual maximum combined per person in- and out-of-network) <i>Charges over \$500 not covered.</i> <i>Costs do not count toward your deductible</i> | \$20 office visit co-pay – you pay all costs over \$500. | 40% after deductible | \$15 co-pay |
| Well Child Care (through age 5: Unlimited) | \$20 co-pay | 40% after deductible | \$15 co-pay |
| Acute and Emergency Care | | | |
| In-patient Hospital (pre-certification required) | 10% of charges after deductible | 40% of URC3, After deductible | \$100 co-pay; \$0 for Out-Patient |
| Emergency Room (ER) \$50 charge (waived if admitted) | \$50 co-pay plus 10% of charges after deductible | 40% After \$50 co-pay and deductible | \$50 co-pay |
| Urgent Care Facility ⁵ | \$20 co-pay; all other services 10% of charges after deductible | 40% of URC, After deductible | \$50 co-pay |
| Ambulance - Air and Ground (emergencies only) | 10% of charges after deductible | 40% of URC, After deductible | No Charge |
| Surgery (pre-certification required) | 10% of charges after deductible | 40% of URC, After deductible | No Charge; (\$15 Co-pay if billed as Surgery in Physician's Office) |
| Skilled Nursing Facility (pre-certification and case management required) 60-day maximum per condition | 10% of charges after deductible | 40% of URC, After deductible | No Charge |



| | | | |
|---|---------------------------------|------------------------------|-----------|
| Home Health Care (pre-certification required) | 10% of charges after deductible | 40% of URC, After deductible | No Charge |
|---|---------------------------------|------------------------------|-----------|

4. If your visit is for an emergency, you always receive in-network benefits. If your visit is not

for an emergency, your benefits are determined by your medical plan option as follows:

- At a network hospital, you receive in-network benefits
- At an out-of-network hospital, you receive out-of-network benefits

5. Some PPO networks have contracts with urgent care facilities. At these facilities, your

treatment is subject to \$50 per visit, in addition to your plan deductible and co-insurance.

| | Healthcare Essentials PPO | | Open Access Plus EPO |
|---|---|------------------------------|--|
| | In-Network | Out-of-Network | In-Network Only |
| Private Duty Nursing (Pre-certification and case management required) Monthly maximum benefit: \$1,000 per person | 10% of charges after deductible | 40% of URC, After deductible | No Charge |
| Hospice Care (pre-certification and case management required) | 10% of charges after deductible | 40% of URC, After deductible | No Charge |
| Chiropractic Care Benefit Plan Year maximum: \$1,000 per person; limit does not apply to X-rays | \$20 co-pay; all other services 10% of charges after deductible | 40% of URC, After deductible | \$15 co-pay (36 day max per benefit plan year) |
| Podiatry | \$40 co-pay; all other services 10% of charges after deductible | 40% of URC, After deductible | \$15 Co-pay |
| Allergy Serum | 10% of charges after deductible | 40% of URC, After deductible | No Charge |



| | | | |
|--|--|---|---|
| Durable Medical Equipment and Supplies | 10% of charges after deductible | 40% of URC, After deductible | No Charge |
| Family Planning | | | |
| Infertility Testing and Treatment: \$20,000 lifetime maximum per person (combined in- and out-of-network) | \$40 co-pay; all other services 10% after deductible | 40% of URC, After deductible | Not Covered (\$15 co-pay for Office Visits, Lab and Radiology Tests and Counseling) |
| Vision | | | |
| 100%, up to \$250 per person per benefit plan year (no deductible). Includes one vision exam, one pair of frames, and two pair of lenses, including contact lenses, or up to one-year supply of disposable lenses. | | 100% up to \$250 per benefit plan year | Out-of-Network = \$45 exam, \$160 max per benefit plan year |
| Hearing | | | |
| 100%, up to \$500 per ear per benefit plan year (no deductible). Includes one hearing exam per benefit plan year, hearing aid repair, and one hearing aid per ear every three benefit plan years. | | 100%, \$1000 per contract year. Includes one hearing exam per benefit plan year, hearing aid repair, & 2 hearing aids per every three benefit plan years. | |

| Mental Health and Substance Abuse Treatment | | | |
|--|---|--|--------------------------------------|
| | Healthcare Essentials PPO | | Open Access Plus EPO |
| | Provided by: Value Options | | Provided by: Cigna Healthcare |
| | Value Options Network | Out-of-Network | In-Network Only |
| Pre-certification required | Yes | Yes | Yes |
| In-patient | 20% of Value Options rates, up to 60 days per benefit plan year | 50% of URC charges, up to 30 days per benefit plan year (60 days in- and | \$100 co-pay |



| | year | out-of-network combined) | |
|--|---|---|--------------------------------|
| Out-patient | 20% of Value Options rates, up to 60 visits per benefit plan year | 50% of URC charges, up to 30 visits per benefit plan year (60 days in- and out-of-network combined) | \$15 co-pay, 20 visits maximum |
| Residential day treatment | 20% of Value Options rates for up to 60 in-patient days or 120 out-patient visits each benefit plan year (each in-patient day equals two out-patient visits in a benefit plan year) | 50% of URC charges, up to 30 days per benefit plan year (60 days in- and out-of network combined) | \$100 co-pay |
| Lifetime Maximum: Up to two rehabilitation admissions for substance abuse treatment combined for in- and out-of-network | | | |
| <i>If no in-network provider is available when you call Value Options or Cigna for pre-approval, you will be referred to an out-of-network provider and receive in-network benefits.</i> | | | |



In addition to the forgoing, the Company offers the following proposals. This list is not all inclusive but highlights major language changes to the 2003 collective bargaining agreement between the parties. For a complete review of the Company's language proposals, please reference the document entitled "2009 Contract Proposal":

- Article III, §4. Work Assignments (proposal attached hereto)
- Article VI HOURS OF WORK AND OVERTIME (amended proposal attached hereto)
- Article VIII VACATIONS (proposal attached hereto)
- Article X, § 15. Transfers- deleted and moved to Article III, §4
- Article XI, §10. Reporting Unapproved absences (proposal attached hereto)
- Article XIV, §10 Subcontracting (proposal attached hereto)
- Eliminate Supplemental Agreement Covering Apprenticeship Training
- New Letter Dallas Transfers (proposal attached hereto)



ARTICLE III HOURLY WAGE RATES AND OCCUPATIONS

Section 4. Work Assignments

A. Departmental Transfers – When the Company transfers individual employees or groups from one department to another, consideration will be given to seniority. Should an employee believe proper consideration has not been given, the supervisor will meet with the Union and the employee to explain the reason(s) for the transfer. Nothing herein, however, will prevent the Company from transferring employees to another department for production reasons when such transfers do not entail a change in classification, job family or rate of pay.

B. Shift Transfers - An employee may give written notice of his desire to transfer to another shift in the same job classification and department at any time following the expiration of his first six (6) months on such occupation, job assignment or shift. If the employee has sufficient seniority, the Company shall, within fifteen (15) working days, effect such transfer by displacement, if necessary, of the least senior employee in the occupation. Any employee who is promoted or transferred to a new department shall be entitled to make a written request, within the first five (5) consecutive working days on his new assignment, for reassignment within the same occupation and department to a different shift or his preference on which such occupation is in use. If the employee has sufficient seniority, the Company shall effect such desired transfer within ten (10) working days after receipt of such request, by displacement of the least senior employee in the same occupation and department on the shift desired.

C. Employees who desire to transfer to any other shift, when an opening and/or vacancy occurs in the same occupation within the department, may give written notice no later than fifteen (15) working days prior to the transfer. An employee can terminate his/her written notice no later than five (5) working days prior to the transfer date. Employees being added or replaced within a department and shift will constitute an opening/vacancy.

Senior qualified employees requesting transfer will be granted transfer as openings/vacancies occur.

D. The Company may transfer employees to other shifts within their respective occupations and departments whenever it becomes necessary to build up or properly balance an adequate working force. However, any such employee may return to his former shift as soon as a qualified employee is available to replace him provided he possesses sufficient seniority within his department and occupation.



E. When it becomes necessary to assign an employee to another shift, because of special ability, such assignment shall be considered as temporary, and the employee shall have the right to return to his former shift when conditions justifying his temporary assignment cease to exist.



ARTICLE VI HOURS OF WORK AND OVERTIME

Section 1. Normal Work Week

A. The normal work week shall consist of forty (40) hours of five (5) consecutive days, Monday through Friday.

B. The Company may elect to schedule any employee or group of employees, or any shift(s), department or group of departments on an alternative work week consisting of either (i) forty (40) hours of four (4) consecutive ten (10)-hour days, or (ii) thirty-six (36) hours of three (3) twelve (12)-hour days. Should some but less than all of the employees in a job classification, department or shift be needed on either such schedule, assignments shall be made in the order of seniority within the affected classification, department or shift. The company will not schedule a 4/10 and a 5/8 workweek shift in the same department and occupation.

C. If production requirements allow it, the Company may offer for Union consideration, the scheduling of a four (4)-day work week [four (4) ten (10)-hour days] for a period the Company deems suitable.

1. Time and one-half of the regular rate of pay shall be paid for all time worked in excess of ten (10) hours worked in any one (1) regularly-scheduled work day and for the first eight (8) hours worked on their fifth and sixth consecutive work days in one (1) week. Two times the regular rate of pay shall be paid for all hours worked in excess of twelve (12) hours worked in any one (1) regularly-scheduled work day and for all hours worked on their seventh consecutive work day in one (1) week.

2. Employees will work four (4) ten (10)-hour shifts with no overtime pay unless they exceed ten (10) hours in one day or forty (40) hours in one week. For the purpose of vacation and paid personal days, a day will be considered a day. If a holiday falls during a four (4) day work week, it will be paid at ten (10) hours per day.

D. On any shift, eight (8) hours shall be worked within eight and one-half (8½) consecutive hours.

E. The standard day shall be from the beginning of the established regular shift to the beginning of the same shift next day. The Company will not change an employee's regular shift starting time without changing the starting time for all other employees within the department and shift. Exceptions to individual employee's starting times within a department can be made on mutual agreement between the director of employee relations, union president and union business representative.



Whenever the Company deems it necessary to change the shift's starting time without changing the starting time for all other extended work days, employees not desiring to work the extended schedule shall maintain the regular shift starting time.

F. The present established shifts will not be changed without prior consultation with the Union and ten (10) working days' notice shall be given to the Union and employees prior to the effective date of any shift change.

G. This Section shall not be construed as a guarantee of hours of work per day or per week.

H. Straight Time Before Overtime Rule

Should an employee have an absence during the normal scheduled work week, the following matrix shall be used to determine whether said time not worked will be credited toward the 40 hours (for employees working the 5x8 and 4x10 work weeks) or 36 hours (for employees working the 3x12 work week) necessary for an employee to be paid overtime in accordance with the other provisions of Article VI:

| <u>Reason for Absence</u> | <u>Overtime rule</u> |
|---|-----------------------------|
| <u>Employee Returns from Department 251/S&A</u> | <u>No Credit Given</u> |
| <u>Employee returns from treatment due to Workers Compensation related injury</u> | <u>Credit Given</u> |
| <u>New Hire/Recalls Reports During Week</u> | <u>No Credit Given</u> |
| <u>Military Leave Reinstatement</u> | <u>Credit Given</u> |
| <u>Employee Initiated F.M.L.A.</u> | <u>Credit Given</u> |
| <u>Funeral Leave</u> | <u>Credit Given</u> |
| <u>Jury Duty</u> | <u>Credit Given</u> |
| <u>Vacation and/or Vacation Shut Down</u> | <u>Credit Given</u> |
| <u>Paid Personal Days</u> | <u>Credit Given</u> |
| <u>Company Convenience</u> | <u>Credit Given</u> |
| <u>No Pay - Excused or Unexcused (Code 1, 5, 12, 13, 24)</u> | <u>No Credit Given</u> |
| <u>Approved Union Business</u> | <u>Credit Given</u> |

Section 2. Overtime

A. Time and one-half of the regular rate of pay shall be paid for all time worked, **provided the employee has worked the requisite number of straight time hours as set forth in Section 1, H above:**

- (a) In excess of eight (8) hours in any one (1) day except for employees regularly assigned to the third shift, who shall receive time and one-half for hours worked in excess of six and one-half (6½) hours in any one (1) day;



(b) For the first eight (8) hours on Saturday, except for employees working on an alternative work week under Section 1, Paragraph B, of this Article, who shall be eligible for premium pay under subparagraph (a) of this Paragraph and under Paragraph C of this Section.

B. Two (2) times the regular rate of pay shall be paid for all hours worked **provided the employee has worked the requisite number of straight time hours as set forth in Section 1, H above:**

(a) in excess of twelve (12) hours in any one (1) day, except for employees regularly assigned to the third shift, who shall receive two (2) times their regular rate of pay for hours worked in excess of ten and one-half (10½) hours in any one (1) day.

(b) In excess of eight (8) hours on Saturday and for all hours worked on Sunday, except for (i) employees regularly assigned to the third shift, who shall receive two (2) times their regular rate of pay for all hours worked in excess of six and one-half (6½) hours on Saturday and for all hours worked on Sunday, and except for (ii) employees working on an alternative work week under Section 1, Paragraph B, of this Article, who shall be paid two (2) times their regular rate of pay for all hours worked in excess of ten (10) in any one day.

C. Employees working on a **4x10** alternative work week under Section 1, Paragraph B, of this Article shall be paid the following premium rates, **provided the employee has worked the requisite number of straight time hours as set forth in Section 1, H, above. Employees working on a 3x12 alternative work week under Section 1, Paragraph B, of this Article shall be paid the following premium rates, provided the employee has worked 36 hours as set forth in Section 1, H, above.**

(a) Employees on a four-day alternative week shall be paid (i) time and one-half for the first eight (8) hours worked on their fifth and sixth consecutive work days in the alternative week and double time for all hours in excess of eight on such days, and (ii) double time for all hours worked on their seventh consecutive work day in the alternative week.

(b) Employees on a three-day alternative week shall be paid (i) time and one-half for the first eight (8) hours worked on the fourth, fifth and sixth consecutive work days in the alternative week and double time for all hours worked in excess of eight on such days, and (ii) double time for all hours worked on their seventh consecutive work day in the alternative week.

D. Nothing contained in this agreement shall be construed as requiring the payment of more than double time.



Section 3. Assignment of Overtime

The assignment of overtime shall be subject to the following provisions.

A. Records of paid overtime hours worked or refused shall be kept by occupation by shift within departments for the purpose of distributing overtime work as equitable as possible by occupation on each shift within the department. For such recording purposes, actual hours worked or refused on overtime and holidays shall be multiplied by one and one-half (1½) or, with respect to overtime hours only, any appropriate higher overtime rate. These records will be kept on the departmental supervisor's desk and will be made available to all departmental employees.

B. Employees who are transferred to a job in the same occupation on a different shift or in a different department, shall be credited, for record purposes only, with an amount of overtime equal to the average recorded overtime at the time he is transferred to his new department and occupation. All transfers shall become effective on Mondays with the exception of shift transfers or employees assigned to occupations in departments established by Section 1-B and/or C of Article VI, unless otherwise mutually agreed to by management and the Union.

Employees who are transferred to a job in a different occupation and all newly-hired employees shall be credited, for record purposes only, with an amount of overtime equal to that of the employee with the highest recorded overtime in the same department, occupation and shift as the transferred or newly-hired employee at the time he is transferred. In the case of a new hire, he shall assume the overtime hours of the employee with high recorded overtime in his occupation, department and shift, at the time he actually starts to work.

Employees returning to work after a period of illness or layoff (including disciplinary layoff), or disqualification exceeding nine (9) working days or being returned to his/her last held occupation following a disqualification shall be credited, for record purposes only, with an amount of overtime equal to that of the employees with the lowest recorded overtime in the same occupation and department on their shift, on the day the employee returns. However, in no event shall an employee returning from layoff or illness acquire fewer hours than he had recorded prior thereto.

C. The company will prorate overtime as equally as possible ~~among the operating~~ **between 1st, 2nd and 3rd shifts on the 5x8 work week; between 1st and 2nd shift on the 4x10 work week; and between 1st and 2nd shift on the 3x12 work week.**

The Company shall work with the Union to insure that employees of a department, regardless of shift, shall have similar overtime opportunities. Whenever the Union feels that overtime opportunities between the various shifts of a department are dissimilar, they shall notify the Director Employee Relations of the Union's concern. When it is



determined that an imbalance does exist, the Company shall institute a plan to insure that the imbalance is corrected as soon as possible.

No employee from a shift, department and occupation shall be allowed to work more than sixteen (16) hours in any twenty-four (24)-hour period.

D. Assignment of overtime will be made in such a manner that the employee with the least amount of recorded overtime and who has the necessary ability and is capable of performing the work shall be given preference of overtime assignment. Should such available employee refuse to work overtime, he shall be recorded with the number of hours for which he would have been paid. The next available employee will then be offered such overtime. **If the required number of employees do not accept to work the overtime in question, the necessary employees will be required to work. Employees may be required to work overtime assignments Monday through Saturday, but will not be required to work a Sunday assignment.**

E. In determining overtime assignments for the 5 x 8 work week shifts, the following steps are to be followed:

Step 1 - Employees with the least amount of recorded overtime hours in the department, occupation and shift where the overtime work is needed will be asked. If additional need still exists, employees assigned to the occupation, department and shift, who are absent for reasons other than vacation, long-term sick leave, paid funeral leave or pre-approved paid personal leave day shall be called and given the opportunity to work overtime before proceeding to Step 2. Employees who are asked to work overtime within their occupation, department and shift, shall be charged with the overtime opportunity regardless of their decision to work or not to work. Employees who are called at home and cannot be reached shall not be charged for the overtime opportunity.

Step 2 - Employees with the least amount of recorded overtime hours in the same department and occupation from the preceding shifts will be called upon to work overtime. No employee from a shift, department and occupation shall be allowed to work more than a double shift, overtime hours permitting, until such time all remaining steps of Section E have been exhausted. It is understood that eligible employees from the preceding shift shall be exhausted prior to asking eligible employees in the next preceding shift.

Step 3 - Employees with the least amount of recorded overtime hours in the same occupation and shift from any different department assigned to the same project or program, who have not been asked to work in his assigned department, will be called upon to work.

~~Step 4 - Employees with the least amount of recorded overtime hours who have not already been asked to work overtime, from any other program or project on~~



~~that shift but the same occupation of which the overtime need exists, will be called upon to work the overtime.~~

~~Step 5 — Employees with the least amount of overtime, who have not previously been given an opportunity to work, in the same occupation, from any other shift, project or program, will be given the opportunity to work. As a last resort, employees with the least amount of recorded overtime hours in any other occupation, shift or department, may be given the opportunity to work.~~

Overtime will be distributed as called for in the labor agreement. In the event the spread of overtime hours is eight (8) hours and above as of the time of the assignment, the error will be corrected by the employee being offered the next overtime assignment until the number of hours worked are equal to the number of hours missed. In the event the spread in overtime hours is less than eight (8) hours as of the time of the assignment and an honest error has been made in the assignment, the subject will not be the matter of an arbitration. In the event the overtime hours are equal, the company will ask by seniority and this eight (8)-hour rule will apply.

In the event that the assigning supervisor is advised of an error in the assignment of overtime at least one (1) hour prior to end of shift and no steps are taken to correct same, then the error in assignment will be corrected by payment.

The eight (8)-hour spread as mentioned above is not to be used as a basis on which to assign overtime.

Where there is an unmanned shift in a department, if overtime is to be worked, it will be prorated between the two (2) operating shifts.

If management is required to attempt to contact an employee at home for purposes of determining his interest in working overtime, it is understood that the employee himself must accept or reject the overtime and that only one (1) call shall be made.

If an employee is asked to work overtime on his regularly-assigned shift and occupation, and turns the overtime opportunity down, that employee shall not be asked for any other overtime opportunity on any other shift, department or occupation during the day in which he turned the overtime down.

Employees who are asked to work overtime outside their department and/or occupation and refuse the overtime, will not be charged. Employees who accept overtime outside their department and/or occupation will be charged in their home department for the overtime hours worked.

Employees who are scheduled for vacation will be offered overtime prior to their vacation time off in accordance with and subject to all overtime provisions of the labor agreement. If they accept the overtime assignment, they will be charged with the



overtime hours accepted. If they reject the overtime assignment, they will not be charged as having rejected it.

Employees will not be offered future overtime assignments until they actually return to work following their vacation.

After offering an employee the opportunity to work overtime, the supervisor will have the employee sign the form 8996 in the employee signature column. If an employee refuses to sign the hourly overtime form, the departmental committee person will initial the form as such and this will be considered as the employee rejecting the overtime. All overtime worked will be charged to the employee's occupation, department and shift. An employee who is solicited for overtime shall not be able to change his mind after 30 minutes before the end of his shift.

F. In determining overtime assignments for the 3 x 12 work week shifts, the following steps are to be followed:

Step 1 – If an overtime need of more than four (4) hours exists during a 3 x 12 work week shift, employees in the same occupation, department, on an equivalent 4 x 10 work week shift with the least amount of recorded overtime hours will be given the entire overtime assignment with the exception of employees on long term sick leave, vacation, paid funeral leave or pre-approved paid personal leave. Employees who are asked to work overtime within their occupation and department shall be charged with the overtime opportunity regardless of their decision to work or not to work. Employees who are called at home and cannot be reached shall not be charged for the overtime opportunity.

Step 2 – Employees in the same occupation and department on the other 4 x 10 work week shift with the least amount of recorded overtime hours will be given the opportunity, with the exception of those employees on long term sick leave, vacation, paid funeral leave or pre-approved paid personal leave. Employees who are asked to work overtime within their occupation and department shall be charged with the overtime opportunity regardless of their decision to work or not to work. Employees who are called at home and cannot be reached shall not be charged for the overtime opportunity.

Step 3 – Employees with the least amount of recorded overtime hours in the same department and occupation from the other 3 x 12 work week shift will be called upon to work overtime.

~~Step 4 – Employees with the least amount of recorded overtime hours in the same occupation and shift from any different department assigned to the same project or program, who have not been asked to work in his/her assigned department will be called upon to work.~~



~~Step 5 — Employees with the least amount of recorded overtime hours who have not already been asked to work overtime from any other program or project on that shift but the same occupation for which the overtime exists will be called upon to work the overtime.~~

~~Step 6 — Employees with the least amount of overtime, who have not previously been given an opportunity to work, in the same occupation, from any other shift, project or program, will be given the opportunity to work. As a last resort, employees with the least amount of recorded overtime hours in any other occupation, shift or department, may be given the opportunity to work.~~

Overtime will be distributed as called for in the labor agreement. In the event the spread of overtime hours is eight (8) hours and above as of the time of the assignment, the error will be corrected by the employee being offered the next overtime assignment until the number of hours worked are equal to the number of hours missed. In the event the spread in overtime hours is less than eight (8) hours as of the time of the assignment and an honest error has been made in the assignment, the subject will not be the matter of an arbitration. In the event the overtime hours are equal, the company will ask by seniority and this eight (8)-hour rule will apply.

In the event that the assigning supervisor is advised of an error in the assignment of overtime at least one (1) hour prior to end of shift and no steps are taken to correct same, then the error in assignment will be corrected by payment.

The eight (8)-hour spread as mentioned above is not to be used as a basis on which to assign overtime.

Where there is an unmanned shift in a department, if overtime is to be worked, it will be prorated between the two (2) operating shifts.

If management is required to attempt to contact an employee at home for purposes of determining his interest in working overtime, it is understood that the employee himself must accept or reject the overtime and that only one (1) call shall be made.

If an employee is asked to work overtime on his regularly-assigned shift and occupation, and turns the overtime opportunity down, that employee shall not be asked for any other overtime opportunity on any other shift, department or occupation during the day in which he turned the overtime down.

Employees who are asked to work overtime outside their department and/or occupation and refuse the overtime, will not be charged. Employees who accept overtime outside their department and/or occupation will be charged in their home department for the overtime hours worked.



Employees who are scheduled for vacation will be offered overtime prior to their vacation time off in accordance with and subject to all overtime provisions of the labor agreement. If they accept the overtime assignment, they will be charged with the overtime hours accepted. If they reject the overtime assignment, they will not be charged as having rejected it.

Employees will not be offered future overtime assignments until they actually return to work following their vacation.

After offering an employee the opportunity to work overtime, the supervisor will have the employee sign the form 8996 in the employee signature column. If an employee refuses to sign the hourly overtime form, the departmental committee person will initial the form as such and this will be considered as the employee rejecting the overtime. All overtime worked will be charged to the employee's occupation, department and shift. An employee who is solicited for overtime shall not be able to change his mind after 30 minutes before the end of his shift.

G. In determining overtime assignments for the 4 x 10 work week shifts, the following steps are to be followed:

Step 1 – If an overtime need of more than four (4) hours exists during a 4 x 10 work week shift, employees in the same occupation, department, on an equivalent 3 x 12 work week shift with the least amount of recorded overtime hours will be given the entire overtime assignment with the exception of employees on long term sick leave, vacation, paid funeral leave or pre-approved paid personal leave. Employees who are asked to work overtime within their occupation and department shall be charged with the overtime opportunity regardless of their decision to work or not to work. Employees who are called at home and cannot be reached shall not be charged for the overtime opportunity.

Step 2 – Employees in the same occupation and department on the other 3 x 12 work week shift with the least amount of recorded overtime hours will be given the opportunity, with the exception of those employees on long term sick leave, vacation, paid funeral leave or pre-approved paid personal leave. Employees who are asked to work overtime within their occupation and department shall be charged with the overtime opportunity regardless of their decision to work or not to work. Employees who are called at home and cannot be reached shall not be charged for the overtime opportunity.

Step 3 – Employees with the least amount of recorded overtime hours in the same department and occupation from the other 4 x 10 work week shift will be called upon to work overtime.

Step 4 – ~~Employees with the least amount of recorded overtime hours in the same occupation and shift from any different department assigned to the same~~



~~project or program, who have not been asked to work in his/her assigned department will be called upon to work.~~

~~Step 5 — Employees with the least amount of recorded overtime hours who have not already been asked to work overtime from any other program or project on that shift but the same occupation for which the overtime exists will be called upon to work the overtime.~~

~~Step 6 — Employees with the least amount of overtime, who have not previously been given an opportunity to work, in the same occupation, from any other shift, project or program, will be given the opportunity to work. As a last resort, employees with the least amount of recorded overtime hours in any other occupation, shift or department, may be given the opportunity to work.~~

Overtime will be distributed as called for in the labor agreement. In the event the spread of overtime hours is eight (8) hours and above as of the time of the assignment, the error will be corrected by the employee being offered the next overtime assignment until the number of hours worked is equal to the number of hours missed. In the event the spread in overtime hours is less than eight (8) hours as of the time of the assignment and an honest error has been made in the assignment, the subject will not be the matter of an arbitration. In the event the overtime hours are equal, the company will ask by seniority and this eight (8)-hour rule will apply.

In the event that the assigning supervisor is advised of an error in the assignment of overtime at least one (1) hour prior to end of shift and no steps are taken to correct same, then the error in assignment will be corrected by payment.

The eight (8)-hour spread as mentioned above is not to be used as a basis on which to assign overtime.

Where there is an unmanned shift in a department, if overtime is to be worked, it will be prorated between the two (2) operating shifts.

If management is required to attempt to contact an employee at home for purposes of determining his interest in working overtime, it is understood that the employee himself must accept or reject the overtime and that only one (1) call shall be made.

If an employee is asked to work overtime on his regularly-assigned shift and occupation, and turns the overtime opportunity down, that employee shall not be asked for any other overtime opportunity on any other shift, department or occupation during the day in which he turned the overtime down.

Employees who are asked to work overtime outside their department and/or occupation and refuse the overtime, will not be charged. Employees who accept



overtime outside their department and/or occupation will be charged in their home department for the overtime hours worked.

Employees who are scheduled for vacation will be offered overtime prior to their vacation time off in accordance with and subject to all overtime provisions of the labor agreement. If they accept the overtime assignment, they will be charged with the overtime hours accepted. If they reject the overtime assignment, they will not be charged as having rejected it.

Employees will not be offered future overtime assignments until they actually return to work following their vacation.

After offering an employee the opportunity to work overtime, the supervisor will have the employee sign the form 8996 in the employee signature column. If an employee refuses to sign the hourly overtime form, the departmental committeeperson will initial the form as such and this will be considered as the employee rejecting the overtime. All overtime worked will be charged to the employee's occupation, department and shift. An employee who is solicited for overtime shall not be able to change his mind after 30 minutes before the end of his shift.

H. Employees who accept overtime assignments and who do not report shall be considered absent for the purposes of absenteeism control and shall be subject to the same disciplinary consequences applicable to absences during regularly scheduled hours of work.

Employees who are on Military Leave or Jury Leave will not be charged for such weekend overtime assignments if they were not aware of such Military or Jury Duty obligations at time of accepting overtime; if known in advance by the Company that employees will be on Military or Jury Duty assignment, the Company will be under no obligation or incur any penalty for failure to ask such employee to work such available overtime as they might otherwise be entitled under this Article VI.

I. When it becomes necessary for employees covered by this Agreement to work overtime, they shall not be laid off during regular working hours to equalize the time.

J. When an employee is asked to work overtime and the employee accepts the assignment, he shall work in the department and occupation for which he accepted the overtime. In the event there is a mechanical failure, absenteeism unknown to the Company, parts delay, as a result of the above circumstances or acts of God, the Company may loan employees, by first seeking a volunteer, if none, then selecting the least senior qualified employee at work, in the department and occupation from where the loan is being made. The loan out of the employee outside his occupation on overtime shall not exceed the time necessary to call an employee in to work and for him to report for such assignment. The call-in process shall begin at the time the loan is made.



ARTICLE VIII VACATIONS

Section 1. Vacation Shutdown and Season

Annual vacations will be granted employees by the Company in accordance with the following regulations: **SHUTDOWNS SUBJECT TO RATIFICATION DATE**

A. Plant vacation shutdown will occur during the term of this agreement as follows. The company will declare no more than ten (10) working days shutdown in any contract year. Employees eligible for vacations, except those required to work, shall be required to take their vacations during such shutdown period. Notification of a shutdown or the requirement to work during the shutdown periods set forth below shall be given at least thirty (30) days prior to the shutdown period.

| CONTRACT YEAR | DATES OF SHUTDOWN | TOTAL NUMBER OF DAYS |
|---------------------------|---|----------------------|
| January 2009-January 2010 | November 23, 24, 25 June 29, 30 July 1, 2 | 7 |
| January 2010-January 2011 | November 23, 24, 25 July 6, 7, 8, 9 | 7 |
| January 2011-January 2012 | November 21, 22, 23 July 5, 6, 7, 8 | 7 |

B. The normal “vacation season” in which vacations will be granted, if no plant shutdown has been scheduled by the Company as outlined in subsection A, above, shall be from the first pay period commencing after June 1, to the last full pay period prior to May 31.

If no vacation shutdown period is scheduled by the Company during a current year, vacations will, as far as possible, be granted at times most desired by the employees. The right to schedule an employee’s vacation period is reserved by the Company in order to insure the orderly and efficient operation of the plant or any department or section thereof. Plant-wide seniority shall govern as far as possible in the selection of dates and thirty (30) days’ notice will be given whenever possible. Employees who are eligible for vacation will be guaranteed time off if they so desire.



Section 2. Vacation Eligibility

A. Each employee who was on the Company's payroll register at the end of his regular shift on May 31, 2009, (succeeding years likewise), and who has established at least one (1) year and not more than five (5) years of seniority by having been employed on or before June 1, or the first Monday in June in the event May 31 falls on Friday or Saturday, shall receive two (2) calendar weeks vacation during the following "vacation season". ~~and shall receive vacation pay equal to four and one half (4½) per cent of the employee's gross earnings for the "vacation year" ending May 31, 2009, less the amount of earnings attributable to the employee's vacation pay for the prior year (succeeding years likewise).~~

B. Each employee who was on the Company's payroll register at the end of his regular shift on May 31, 2009, (succeeding years likewise), and who has established at least five (5) years and not more than ten (10) years of seniority by having been employed on or before the preceding June 1, or the first Monday in June in the event May 31 falls on Friday or Saturday, shall receive two (2) calendar weeks vacation during the following "vacation season". ~~and shall receive vacation pay equal to five (5) per cent of the employee's gross earnings for the "vacation year" ending May 31, 2009, less the amount of earnings attributable to the employee's vacation pay for the prior year (succeeding years likewise).~~

C. Each employee who was on the Company's payroll register at the end of his regular shift on May 31, 2009, (succeeding years likewise), and who has established at least ten (10) years and not more than fifteen (15) years of seniority by having been employed on or before the preceding June 1, or the first Monday in June in the event May 31 falls on Friday or Saturday, shall receive three (3) calendar weeks vacation during the following "vacation season". ~~and shall receive vacation pay equal to seven (7) per cent of the employee's gross earnings for the "vacation year" ending May 31, 2009, less the amount of earnings attributable to the employee's vacation pay for the prior year (succeeding years likewise).~~

D. Each employee who was on the Company's payroll register at the end of his regular shift on May 31, 2009, (succeeding years likewise), and who has established at least fifteen (15) years and not more than twenty (20) years of seniority by having been employed on or before the preceding June 1, or the first Monday in June in the event May 31 falls on a Friday or Saturday, shall receive three (3) calendar weeks vacation during the following "vacation season". ~~and shall receive vacation pay equal to seven and one-half (7½) per cent of the employee's gross earnings for the "vacation year" ending May 31, 2009, less the amount of earnings attributable to the employee's vacation pay for the prior year (succeeding years likewise).~~

E. Each employee who was on the Company's payroll register at the end of his regular shift on May 31, 2009, (succeeding years likewise), and who has established at least twenty (20) or more years of seniority in accordance with the foregoing, shall receive four (4) calendar weeks vacation during the following "vacation season". ~~and~~



shall receive vacation pay equal to nine (9) per cent of the employee's gross earnings for the "vacation year" ending May 31, ~~2009~~, less the amount of earnings attributable to the employee's vacation pay for the prior year (succeeding years likewise).

F. The vacation pay allowances will be computed at the employee's regular base hourly rate of pay, including shift differential, but exclusive of all premiums or overtime allowances.

Section 4. Vacation Pay

~~A. Vacation payment will be computed on all earnings less earnings attributable to a prior year vacation payment actually received during the period June 1 to May 31, inclusive, of each "vacation year."~~

~~A. Eligible employees shall receive their vacation checks no later than June 7 of the applicable vacation year. **Employees will be paid for their vacation on the pay day for the week in which the vacation was taken.**~~

~~C. It is understood that vacation pay under the provisions of this Section will not be paid more than once on any period of time worked.~~



ARTICLE XI LEAVE OF ABSENCE

Section 10. Reporting Unapproved Absences

All unapproved absences must be reported through the Company absence reporting number (615-361-2065) within the first hour of the employee's shift.



ARTICLE XIV GENERAL

Section 10. Subcontracting

A. Subcontracting of Maintenance and Production Control

The Company may subcontract, transfer or outsource maintenance and production control work without restriction. There will be no restrictions or obligations to bargain over the Company's decision to subcontract, transfer or outsource, or the effects of subcontracting, transferring or outsourcing work.

BA. Subcontracting of Tool Manufacture

To the extent it will be consistent with efficient operations, the company agrees not to subcontract tool manufacture ~~or tool maintenance work~~ when tool-making occupations involved are on layoff from their occupation who are qualified to perform the specific assignment required. ~~or to subcontract the repair of buildings or production equipment when qualified maintenance employees of the specific craft in which such work normally occurs are on layoff.~~ It is understood that completion schedule dates and the availability of facilities, equipment and personnel, as well as the quality thereof, will be among the factors considered controlling. This paragraph applies only to subcontracts of tool manufacture. ~~and tool maintenance work, and to repairs of buildings or production equipment customarily performed by the maintenance department.~~

BC. Permanent Subcontracting

In addition, for the purpose of preserving job opportunities for other employees covered by this agreement, the company agrees that work currently performed by the bargaining unit shall not be permanently subcontracted if it would result in a reduction of the work force, except in one or more of the following circumstances:

- (1) the company does not have the necessary equipment or tools to perform the work in question in an efficient and timely manner; or
- (2) the work in question cannot be finished within the scheduled time limits established to meet production goals; or
- (3) The unit cost of performing the work in question with bargaining unit employees would be five percent (5%) more than the cost of having the same work done by a subcontractor, as determined by the application of the company's established cost accounting methods.

Prior to the final decision to award a subcontract because of cost considerations under item (3) above, the company shall inform the president of Aero Lodge 735, in



writing, of the subcontracting proposal under consideration, including the unit cost figures as above determined. The union shall thereupon have ten (10) days following the date of such notice to the Aero Lodge 735 president within which to make specific proposals to the company for the performance of such work by bargaining unit members at reduced costs. Should the union present a proposal which eliminates the cost differential referred to above, computed through the application of the company's established cost accounting procedures, the subcontracting proposal shall be canceled and the work shall be performed within the bargaining unit. However, if no such proposal has been received by the company within the period of ten (10) days following notice to the Aero Lodge 735 president, the subcontract may be awarded by the company.

The computation of unit costs by the company for the purposes of foregoing item (3) shall be subject to the grievance and arbitration provisions of this agreement, with any such grievance to be initiated at step 3 of the grievance procedure. If not resolved in the third step, any such grievance shall immediately proceed to expedited arbitration.

D. Temporary Subcontracting

In order to meet production requirements, the Company may, at its sole discretion, hire Contract Workers to perform bargaining unit work without limitation. No individual contract worker will be employed for more than twelve (12) consecutive months in an eighteen (18) month period. Contract Workers will not be considered employees covered by the Collective Bargaining Agreement.



Letter #22

NASHVILLE/DALLAS TRANSFERS

In recognition that the Company's plans to relocate work from the Nashville, Tennessee site to the Company's Dallas facilities did not come to fruition, and the continued desire of selected employees who transferred to Dallas to return to Nashville, the parties have reached the following agreement:

Job Placement

Employees will be allowed to return to Nashville to their last held occupation within the IAM bargaining unit. The Company will retain the exclusive right to determine which department said employee(s) will be assigned to within such occupation. Returning employees will be compensated at the wage rate they would have accrued had they not transferred to Dallas, not to exceed the maximum wage rate within their occupation.

Seniority

Employees will return to the IAM bargaining unit with their seniority, as it was when they originally transferred to Dallas, for purposes of reduction in force, job bids, shift preference and other provisions of a like nature. Company service time accrued while in Dallas will not count for seniority purposes with respect to the aforementioned seniority-centered rights.

Returning employees will have their total Company service time count toward vacation and other leave accruals.

Pension and Retiree Medical

Transferred employees who elect to return to the IAM bargaining unit in Nashville will have their total Company seniority for pension and retirement eligibility and retire with the provisions as agreed to under the instant agreement. Returning employees will not be eligible for UAW retirement and pension benefits.

Window for Return

Employees desiring to return to Nashville must declare their intent to do so in writing to both the Nashville and Dallas Human Resources Managers no later than thirty (30) days following ratification of this agreement. All transfers will be effective no later than July 1, 2009.